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April 4, 2011

Mr. Gary W. Moore Emergency Response and Prevention Branch (6SF-R2) United States Environmental Protection Agency, Region 6 1445 Ross Avenue Dallas, Texas 75202

Re: Falcon Refinery Removal Action Work Plan

Dear Mr. Moore,

On behalf of National Oil Recovery Company (NORCO), I have provided in this letter a discussion of past activities and planned future activities associated with the Removal Action Work Plan at the Falcon Refinery in Ingleside.

NORCO, the responsible party, is prepared to commence the completion of all Removal Actions within one day of EPA's authorization to continue the Removal Action. The selection of another contractor will 1) result in significant time delays since a new contractor will need to review past activities, and 2) result in unnecessary costs to review documentation and to develop contractor specific site plans.

Remaining work, associated with the Removal Action, consists of the removal of sludge from the bottoms of four above ground storage tanks (Tanks 7, 26, 27 and 30) and the removal of grossly stained soil in the vicinity of Tank 7. If NORCO is allowed to proceed with the Removal Action, the work will likely be completed in less time than the selection and commencement of activities with a new contractor.

To date at the Falcon Refinery, NORCO has:

- Developed a Removal Action Work Plan, which was EPA approved;
- Developed a Site Specific Health and Safety Plan;
- Developed Monthly Progress Reports;
- Disposed of 7,774,721 gallons of liquid waste via deep well injection;
- Recycled 67,840 pounds of metal;
- Characterized and disposed of 40 cubic yards of grossly impacted soil;

- Characterized and disposed of 15 cubic yards of hazardous soil;
- Recycled over 16,000 gallons of oil and oil filters;
- Characterized and disposed of over 75 abandoned and buried drums;
- Sampled for and disposed of asbestos wrapping on pipelines;
- Excavated and capped 10 pipelines in the adjacent wetlands during two separate mobilizations;
 and
- Responded to and cleaned up leaking tanks and vessels, as needed.

During a site visit to discuss the completion of Removal Activities with local contractors on March 25, 2011, Mr. Halasz advised that the site looked remarkably improved over the condition when the Removal Actions began. Oil which had leaked down the sides of some of the above ground tanks was no longer pervasive, pooled oil was not evident anywhere at the site and the adjacent wetlands had no visible indications of hydrocarbons.

The news to take over the site by the EPA was stunning, given the effort and costs provided by NORCO.

Just at a time when the Removal Action was about to be completed, the EPA has elected to take over the Removal Action, which will surely delay the cleanup and jeopardize the redevelopment of the site and the area which lost countless jobs due to the closing of the nearby naval base.

NORCO requests the opportunity to complete the Removal Action and to complete the Remedial Investigation / Feasibility Study (RI/FS).

During the site inspection on March 25th, Mr. Halasz also met with the drilling and laboratory contractors that are in place to complete Phase II of the Field Sampling Plan. NORCO has submitted updated plans by their new contractor TRC to complete the Phase II Field Sampling Plan and the remainder of the RI/FS. TRC is new to the project however the Project Coordinator for the RI/FS (Stephen Halasz) has been the project coordinator that has developed with the help of the EPA and Federal and State Trustees the RI/FS Work Plan, Field Sampling Plan, Quality Assurance Project Plan, project reporting, community announcements and scheduling since the signing of the Administrative Orders on Consent. Continuing to use the same Project Coordinator will result in cost effective and timely completion of the project.

Similar to the Removal Action, the EPA taking over the RI/FS will delay the project, increase costs as a new contractor is hired to review and develop plans.

In the time that it will take the EPA to select a contractor, TRC will have completed the Phase II Field Sampling Plan and will be well along in the development of the Screening Level Ecological Risk Assessment, Baseline Human Health Risk Assessment and the Preliminary Site Characterization Summary Report.

Similar to the Removal Action, NORCO is ready to proceed with all aspects of the RI/FS once authorization is granted from the EPA.

NORCO respectfully requests the opportunity to complete the RI/FS.

Please provide a response to NORCO's request as soon as possible. If requested, NORCO and its contractor, TRC, would be pleased to meet with you and discuss the project in greater detail. Thank you for your consideration.

Very Truly Yours,

Richard F. Bergner, Esq.

cc: Gloria Moran, Esq. Rafael Casanova Samuel Coleman, P.E. Stephen Halasz, P.G. Quinn O'Connell, Jr. Esq.